

Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Larry D. Lisenbee
Budget Director

**SUBJECT: 2006-2007 PROPOSED FEES AND
CHARGES REPORT**

DATE: May 5, 2006

APPROVED:

DATE:

Contained in the document that follows are the proposed fees and charges for the 2006-2007 fiscal year. This document provides recommendations for the majority of the fees and charges accruing to the City's General Fund. As has been the practice for a number of years, however, the document does not include a number of the fees assessed by the City's enterprise operations (e.g., Airport, Downtown Parking, and Convention Center Facilities) as they are brought to the City Council for consideration in a different form.

The fees proposed in this document are all assumed in the revenue estimates contained in the City Manager's 2006-2007 Proposed Operating Budget. The General Fund fee changes proposed would result in a cumulative increase of approximately \$1.7 million over the amount estimated to result if no changes to the 2005-2006 fee levels were approved. The recommended increases primarily reflect changes proposed in conformance with Council direction to maintain full cost recovery in most fee supported program areas.

Cumulative departmental fees and charges for 2006-2007 are projected to result in total revenue receipts of approximately \$94.6 million, of which \$88.2 million will accrue to the General Fund. This amount represents approximately 11.9% of total General Fund revenues included in the 2006-2007 Proposed Operating Budget. For all Council-directed cost-recovery fee programs (excluding penalties, fines and non-cost-recovery activities), 2006-2007 proposed fees and charges are established to achieve recovery of approximately 96% of fee program costs in the Category I (cost-recovery) fee programs. This is down slightly from the approximately 98% cost recovery level budgeted in the current year for Category I fees.

The body of this report contains a listing, by responsible department, of the details of proposed fee levels and estimated costs for the service for which the fee is assessed. In developing the 2006-2007 fee structure, staff was guided primarily by the City Council's policy direction to strive for 100% cost recovery for most fee-related programs.

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Additional Council direction was also followed, however, so that where appropriate, fees take into consideration approved exceptions to the City Council's full cost-recovery policy, as well as applicable State laws.

For the 2006-2007 Proposed Budget, all fee programs were reviewed to both ensure that the amount being assessed would not deter the delivery of service levels necessary to meet anticipated demand, and that fee programs remain as close as possible to current levels of cost-recovery. Where possible, actions to make progress toward achieving the Council-directed full cost-recovery goal are recommended.

The departments with an overall cost-recovery level below 100% administer fee programs that the City Council has previously directed remain at less than cost-recovery, generally in order to assure public access to services. Examples include fees for public records and youth recreation programs. In view of this direction, to the extent possible, no actions increasing cost-recovery levels beyond the 2005-2006 adopted level are recommended for those programs.

At Council direction, the reader will also note that included for the first time this year in this document in each departmental section are cross-references to the appropriate pages in the 2006-2007 Proposed Budget document where the proposed fee changes are described.

Highlights of the 2006-2007 Proposed Fees and Charges Report include the following:

DEVELOPMENT FEE PROGRAMS

Although development fee program activity has remained relatively constant over the last five years, there has been a significant shift away from commercial and industrial construction activity toward residential construction activity that resulted in declining construction valuations while service demand continued to gradually grow.

Prior to the 2002-2003 budget, many development service fees had fallen significantly below the full cost of providing the services. As a result, the City Council adopted a three-year plan to phase in fee increases to restore cost recovery starting with the 2002-2003 budget. The 2004-2005 fiscal year was the final year of that plan.

The development community participated in formulation of the plan to increase development fees and, in part as a result of these meetings, development industry groups supported the fee increases through 2004-2005 with the condition that the City's development partners try to operate within the existing fee structure for 2005-2006. In order to honor that request, there was virtually no overall development service program fee increases in 2005-2006.

During 2005-2006, however, there were some significant cost increases in the development fee programs. Negotiated salary increases, and increased costs for benefits for staff and the introduction of costs for office space in the new City Hall were significant cost drivers for the cost increases in 2005-2006.

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DEVELOPMENT FEE PROGRAMS (CONT'D.)

The Development Fee programs had previously occupied space in Old City Hall, which had no occupancy costs beyond maintenance expenses, since the cost to build the building had long since been paid off. As part of the process of allocating the debt service costs of the new City Hall to all tenants, the Development Programs, like all other programs funded from non-General Fund sources, have been assessed a proportional share of these costs, based on the amount of space being occupied. Recognizing that the new occupancy costs would create a significant impact on the fees if they were immediately absorbed by the fee programs, last year, the City Manager authorized a plan to phase in the cost increases associated with the new building to the development fee programs over a five year period. 2006-2007 is the second year of that phase-in plan.

In preparing resource and fee proposals for 2006-2007, staff met with the San Jose Silicon Valley Chamber of Commerce's Development Committee, which has served as an advisory panel to the City's development service partners, as well as sought feedback from a number of other industry groups representing home builders, office park developers, architects, and the remodel industry. Development services staff also received feedback from individual customers through the Getting Families Back to Work/Counter to Council study sessions in the fall of 2005 and a record number of survey responses generated by the implementation of e-mail "smart surveys" that are

generated by the Integrated Development Tracking System (IDTS) when projects are completed.

Planning, Building and Code Enforcement Department – The Planning, Building and Code Enforcement Department administers a variety of fees and charges related to processing development permit applications, ensuring that construction in San José conforms to applicable building codes and regulations.

While all categories of new construction as well as commercial and industrial alterations are down (activities where valuations are higher relative to corresponding service demand), the labor-intensive residential remodeling activity sector continues to grow, resulting in declining construction valuations while service demand continues to slowly grow. It is estimated that the 2006-2007 proposed Planning, Building and Code Enforcement Department development-related fees and charges program, excluding use of fee reserves, penalties and interest, will raise revenues of \$30.7 million, reflecting a cost recovery rate of approximately 94.3%. This proposed cost recovery represents a decrease from the 2005-2006 adopted level of approximately 99.1%.

As mentioned above, increasing costs combined with a deferral of fee increases has resulted in a revenue to cost gap. To address this longer term revenue to cost gap, a phase-in of fee increases over four years using fee reserves to balance program budgets is proposed.

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DEVELOPMENT FEE PROGRAMS (CONT'D.)

Planning, Building and Code Enforcement Department –
(Cont'd.)

The individual proposed Planning and Building Fee Program actions are described in the following sections of this document and summarized below:

Planning Fee Program – A 2006-2007 base shortfall of \$655,437 and the addition of modest strategic support resources totaling \$51,463 are recommended to be covered by \$405,405 in revenue from a proposed 7% fee increase and the use of \$301,495 in reserve funds. This proposed package would leave the Planning Fee Program at 95.4% cost recovery. It is anticipated that the use of reserve funds for 2006-2007 will leave the Planning Fee Reserve at approximately \$750,000. If the development community supports the 4-year phase-in plan to cost recovery, use of reserve funds, in decreasing amounts, would again be required in 2007-2008 and 2008-2009 before full cost recovery would be reached in 2009-2010.

While City Council policy and the funding realities facing local government do inevitably require the City to pass on service cost increases to development customers through higher fees, the Planning fee program has actively pursued operational efficiencies and looked to improve services provided so that applicants receive good value for their money. Because Planning land use applications vary greatly in size, and one large or controversial project can

easily stretch staff resources beyond the level supported by the current fee structure, staff is currently examining the advantages and disadvantages of moving to a fee methodology that would require applicants to pay a fee deposit based on an informed estimate of the cost (similar to Building's new fee methodology) and have Planning staff draw from those funds through the application of an hourly rate. This approach may provide a better way for the Program to adjust to major changes in activity levels by providing a direct connection between fees and costs.

General Plan Update – State legislation authorizes cities to place a surcharge on development permits to fund updates of their General Plan. Accordingly, a 1.25% surcharge to be applied to all Entitlement and Building permit fees was approved by Council in 2004-2005. No change to that surcharge is proposed in this budget. The Update is currently scheduled to begin in January 2007 and take two to three years to complete. The fee is anticipated to raise \$200,000 per year for four years to fund the non-personal/equipment and consultant costs of the General Plan update process. Additional funding from the General Fund is proposed for two positions (in January 2007) to begin the very large community outreach effort that is required.

Building Fee Program – The proposed 2006-2007 Building Fee Program budget package closes a \$2.5 million revenue to cost gap and covers \$684,000 in additional resources (39% is one-time) with a 7% fee increase that generates

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DEVELOPMENT FEE PROGRAMS (CONT'D.)

Planning, Building and Code Enforcement Department –
(Cont'd.)

\$1.59 million in additional revenue and the use of \$1.56 million from the Building Fee Reserve.

The Building Fee Program is also in the unusual position of anticipating a revenue reduction despite a 7% increase in fees. The reason for the fee reduction is the impact of the long awaited fee methodology conversion for commercial and industrial projects that is based on the time it normally takes to deliver service for that project type. The implementation of this fee model in the commercial and industrial sector was delayed for two years due to the relative lack of activity in these areas. The analysis is now complete and staff expects that fees for the vast majority of commercial/industrial projects will be less due to the tendency of the valuation model to overestimate costs on average to larger projects. So while the proposed 7% increase in the Building hourly rates is anticipated to increase revenue by approximately \$1.5 million, the fee methodology change is anticipated to decrease revenue in the impacted sectors by approximately 8%.

While applicants who require more service than is normal may not see a cost reduction, they still only pay for the actual processing time their project consumes. Staff has received positive feedback from the development community in discussions about these changes – particularly about the basic equity of this approach.

In addition, the Building Fee Program is adding resources for 2006-2007, with one-time funding proposed for a number of strategic support items such as code books, some computer and vehicle replacements, and digital cameras for the Inspectors. Ongoing investments that support the goals outlined above include a Development Services Webmaster (Improve Customer Experience), an Engineer to support small business at the Development Services Center (Focused Service Provision), and two Planners (including one who is already operational as an overstrength) to reduce waiting times for walk-in customers and verification letters at the Building Counter (Improve Customer Experience). These strategic resource additions are needed to restore targeted performance that has been impacted by the increase in business hours and a modest activity increase.

Public Works Department – The Public Works Department's Development Fee Program is responsible for the collection of various fees for private development activities, such as plan review and inspection of public improvements constructed by private developers, review of subdivision maps, grading permits, geologic hazard clearances, and sewer/revocable permits. In addition, staff reviews plans, issues permits, and collects fees for work performed by utility and telecommunication companies and locates City-owned underground facilities.

DEVELOPMENT FEE PROGRAMS (CONT'D.)

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Public Works Department – (Cont'd.)

2005-2006 revenue collections are on track and anticipated to end the year at the projected \$7.1 million level. For 2006-2007, revenue projections are anticipated to increase to approximately \$7.9 million. This is a result of several factors, including a projected 4% increase in permit activity for residential projects, an overall 7% fee increase, and an additional increase to fees assessed to utility and telecommunication companies. Program costs, however, continue to rise and are projected to be approximately \$8.1 million. This increase reflects escalating salaries and benefits, overhead costs, and the addition of two positions into the program, which should improve customer service performance levels. The gap between projected revenues and expenditures will be closed by a one-time use of the Public Works Earmarked Reserve in the amount of \$202,000.

In addition to adjustments to existing fees, a new Revocable Encroachment Permit and several document reproduction fees are being proposed for 2006-2007. Revocable Encroachment Permits are construction permits issued by the City to allow a contractor to use the public street right of way, for a temporary installation or temporary work. New document reproduction fees are being proposed to align with the Development Services partners, the Planning, Building and Code Enforcement and Fire Departments, and accurately collect revenue for services provided to customers.

Fire Department (Development Fees) – The Fire Department administers fees for fire safety permits and inspections, fire safety plan reviews and inspections for construction projects submitted to the Building Division, fire system permits (sprinklers, fixed extinguishing systems, and fire alarm systems), hazardous materials permits, and charges for fire reports, documents, and photographs.

Excluding fines that are not included in the costs-recovery calculation, the overall cost-recovery rate proposed for the Fire Department 2006-2007 Development Program fee program is 100%.

For 2006-2007, cost of living increases in the program, a realignment of administrative staff funding with services provided, and the addition of resources to address increased development activity are proposed. The continuation of higher activity levels experienced in 2005-2006 is projected to continue for 2006-2007. In order to improve service delivery and improve performance closer to targeted levels, the addition of two positions and overtime funding is recommended. To fund this additional service and cover increases in benefits and retirement costs projected for the upcoming year, a 4.5% fee increase for development-related services is proposed.

DEVELOPMENT FEE PROGRAMS (CONT'D.)

Fire Department (Development Fees) – (Cont'd.)

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In addition, several duplicating fees are proposed in order to align with the other development-related partners. The combination of these proposed actions balances expenditures with anticipated development revenues of \$4.6 million, maintaining a 100% cost-recovery level.

Transportation Department – The Transportation Department is responsible for the collection of fees for development-related activities which include the following categories: sale of street signs; new subdivision traffic control signs; new subdivision pavement markings; tree planting and young tree trimming in subdivisions; signal design/review; General Plan Amendment Model Analysis; and Geometric Plan Design.

Several fee adjustments have been recommended for several specific Transportation Department development-related fee programs in 2006-2007 to allow the City to keep pace with cost increases and/or maintain full cost-recovery. These fees, however, are not considered part of the City's major development fee programs. More detail on these proposed fees can be found in the Transportation Department Impact Analysis Report contained later in this document.

OTHER FEE PROGRAMS

City Clerk – The City Clerk is responsible for making all official City Council records and documents accessible to the public and conducting elections for Mayor, City Council, and ballot measures. The Office of the City Clerk also performs special research and notary services on a fee basis. There are no fee adjustments proposed to the Office of the City Clerk's fees in 2006-2007.

Office of Economic Development – The Office of Economic Development (OED) is responsible for administering the City's Foreign Trade Zone and Subzones, which includes processing applications, boundary modifications, and contract negotiations and extensions. Per City Council direction, in 2005-2006, the Office of Cultural Affairs (OCA) became part of the Office of Economic Development. Thus, OED is also responsible for the collection of fees related to the OCA activities. These include various event permit and use permit fees.

No fee adjustments have been proposed for this Office in 2006-2007.

OTHER FEE PROGRAMS (CONT'D.)

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Environmental Services Department – The Environmental Services Department administers two fee programs as part of the Integrated Waste Management Program: Source Reduction and Recycling Fees (AB 939); and Franchise Application Fees. For 2006-2007, the Commercial Solid Waste AB939 fee is proposed to increase from \$0.50 to \$0.89 per cubic yard for loose commercial solid waste and from \$1.50 to \$2.67 for compacted commercial solid waste. (The equivalent weight-based AB939 fee for collection from City facilities is proposed to change from \$8.33 to \$14.83 per ton to stay in parallel with the volumetric (cubic yard based fee). In addition, the Commercial Solid Waste Franchise Fees (to be adopted through a separate resolution outside this document) are also proposed to increase from \$3.49 to \$3.67 per cubic yard for loose commercial solid waste and from \$10.47 to \$11.01 per cubic yard for compacted commercial solid waste. The total Commercial Solid Waste fee load (AB939 and Franchise Fees), would therefore increase from \$3.99 to \$4.56 per cubic yard (for loose waste) and from \$11.97 to \$13.68 per cubic yard for compacted waste. It should be noted however, that even with these proposed increases, the cost of service to businesses, which includes commercial solid waste fees and the recycling/diversion rate, would still remain among the lowest in the area.

With these proposals, projected fee revenue for 2006-2007 totals \$3.79 million, which would represent an increase of \$1.14 million from last year and constitutes a cost-recovery rate of approximately 78.5%.

Finance Department – The Finance Department is responsible for collecting, accounting, and monitoring the City's tax revenues and depositing certain fees collected by other City departments.

Fee adjustments have been recommended in this budget to maintain cost-recovery levels in a number of specific fees that include: Christmas Tree/Pumpkin Lot Licenses; Circus Permits; Handbill Distributors; Business Tax Special Reports; Returned check Fee; and Exempt Business Tax Applications. In addition a new Collection Agency Recovery Fee is proposed to recover costs associated with collection agency costs on delinquent accounts.

Adjustments to delinquency fees related to the solid waste program, including lien processing fees and returned check fee charges, are also proposed to appropriately recover administrative costs.

Fire Department (Non-Development Fees) – The Fire Department Development fees are included in the Development Fee Programs section as noted above. The Fire Department Non-Development fee category consists of annual fees such as Annual Renewable Permits and Hazardous Materials Installation, Removal, or Alteration Permits. A fee increase of 4.5% for these fees is proposed in order to cover benefits and retirement cost increases as well as the costs of new resources proposed as a result of new State-mandated inspection requirements related to underground storage tanks and hazardous materials facilities.

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OTHER FEE PROGRAMS (CONT'D.)

General Services Department – The General Services Department is responsible for the collection of various fees for events at City Hall. Event spaces include the Rotunda, the Plaza, the Council Chambers, and the Committee Meeting Rooms. The fee structure for events at City Hall was established to partially offset the costs of operating and maintaining spaces for public use while ensuring that the use of the facility is accessible and affordable for the community.

No fee adjustments have been proposed for General Services at this time, however in the coming months, General Services expects to propose a revised usage plan where a great portion of the space will be free for internal City use and thus not subject to charges.

Housing Department – The Housing Department administers the Rental Dispute program. This includes the Rental Dispute Mediation and Rental Mediation Penalty. Inclusionary Fees are also included in this Department and represent fees paid by developers if they decide to not build inclusionary (affordable) units. This fee is the amount the Housing Department would need to spend to construct a rental/owner unit in-lieu of a developer providing an otherwise required inclusionary unit.

The 2006-2007 Inclusionary Fee for rental units is proposed to be increased to reflect the significant rise in construction costs that occurred in 2005-2006. Also in

2005-2006, the City Council approved an increase in the maximum First-time/Teacher Homebuyer Program loan to \$65,000. This change is reflected in the increase to the Ownership Inclusionary Fee.

No fee adjustments are proposed for the Rental Rights and Referrals Program. Staff proposes to postpone fee increases in this area to allow for a more stable evaluation of the program. The goal is to arrive at a fee amount that would sustain the program over a period of years and avoid short-term changes to the fee structure. At the end of 2006-2007, Staff will evaluate costs and develop a recommendation for a fee increase to allow the program to become financially self-sufficient.

Library Department – The Library Department levies fines for overdue, lost and damaged materials, and collects fees for various services such as community room rental and providing materials through other library systems. There are no proposed adjustments for existing Library Department fees for 2006-2007.

Parks, Recreation and Neighborhood Services Department – The Parks, Recreation and Neighborhood Services Department (PRNS) assesses and collects a variety of fees and charges related to the following: adult sports fees; field and sports facilities reservations; gym and fitness center fees; community center rentals; recreational and swimming lesson fees; fee activity charges; roller hockey rink skating; parking fees; admission charges for

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Happy Hollow Park and Zoo; picnic and other outdoor activity

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OTHER FEE PROGRAMS (CONT'D.)

**Parks, Recreation and Neighborhood Services
Department** – (Cont'd.)

reservations; animal permits and licenses; and animal adoption and other shelter services fees.

In the 2006-2007 Proposed Fees and Charges Program, PRNS's total General Fund fee revenue estimate is approximately \$8.6 million. Implementation of the proposed fee revisions result in a slight increase to the General Fund fee program cost-recovery level compared to the current year (87.6% compared to 87.4% in 2005-2006). For all funds, the PRNS fee program proposed for 2006-2007 would also decline slightly, falling to a level of approximately 89.9% compared to 90.6% for 2005-2006.

The overall cost recovery rate in this department continues to be less than 100% for a number of reasons. First, it is not possible to recover total program costs in this program while also maintaining fees comparable to prevailing rates for similar services in adjacent jurisdictions. In addition, a number of the fees that PRNS collects are by City Council policy set well below full cost-recovery levels in order to encourage community participation (e.g., the Summer Swim Program, field and sports facilities use). In addition, as directed by the City Council approval of the Mayor's March 2006 Budget Message, wherever practical, San José residents are proposed to benefit from lower fee rates than non-residents.

PRNS's 2006-2007 Proposed Fees and Charges Program contain recommendations for increases that can be summarized in two primary categories. The first relates to revisions driven by the City Council's policy of maintaining full cost recovery. As has been the case in all City fee programs, increased costs result from a number of factors (e.g. higher labor costs and higher non-personal/equipment costs), which results in the need to increase fees to higher levels to maintain cost recovery. The second category relates to the Council direction to propose actions to improve, wherever possible, the department's cost recovery rate.

Increases to help in the budget balancing strategy have also been proposed in several PRNS-related fee structures including: animal adoption fees, various fees related to parks usage, facility rentals and other miscellaneous fees. In addition, several new fees are proposed in this report.

Planning, Building and Code Enforcement Department (Non-Development Fees) – The Code Enforcement Division of the Planning, Building and Code Enforcement Department collects fees for multiple housing permits, solid waste enforcement, neglected/vacant building registration, landfill closure and post closures, auto body repair shop permits, auto dismantler permits, and the abandoned shopping cart program. For 2006-2007, fee increases are proposed for the Multiple Housing Program, Automobile Dismantler Permits, and Neglected/Vacant Building Registration in order to maintain full cost recovery status.

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OTHER FEE PROGRAMS (CONT'D.)

Police Department – In this department's fee program fees are collected from the public and from other police agencies for services such as fingerprinting, search and copying of public records, and vehicle impound release fees. Certain businesses and activities are subject to regulation, and fees are charged to offset the costs for processing permits and licenses that accompany the regulatory process and to partially offset costs for related investigative work.

Police Department fees are in the 100% cost recovery category except for two areas: the Driving Under the Influence (DUI) fee and the Emergency Communication System Support (ECSS) fee. The overall cost recovery gap (proposed cost recovery level of 88.0%) is attributable to the lower than cost recovery level for those two fees.

DUI restitution, which is traditionally very low, is anticipated to recover only approximately 13.3% of the targeted costs of DUI incidents in 2006-2007 again reflecting the fact that so many offenders cannot or will not pay the charges.

The Emergency Communications System Support Fee if continued for the entire 2006-2007 fiscal year as proposed, by design would recover about 87.5% of the City's Emergency Communication System Support costs, reflecting the City Council direction whereby certain groups such as Lifeline Service customers, pay phones, and

certain educational and governmental entities, are exempt from this fee.

As discussed at length in the Operating Budget Transmittal Letter, the extension of the Emergency Communication System Support Fee beyond the current December 2006 sunset date is proposed as the cornerstone of the General Fund balancing strategy proposed in this budget. If the fee extension is not approved, a \$10.4 million gap will arise in the General Fund budget proposed by the City Manager. For that contingency, therefore, a set of alternate budget reduction actions, embodied in an Emergency Communication System Support Fee Contingency Plan (included as part of the 2006-2007 Proposed Operating Budget) have been proposed.

A number of other specific fee modifications in the many fees administered by this department are proposed for 2006-2007 in the Police Fee Program in order to maintain full cost recovery. These adjustments reflect the annual review of time and resources used in the permit processes and are necessary to maintain full cost recovery levels. No significant impact on the Department's customers is anticipated from these proposed revisions.

Transportation Department – Fee adjustments have been recommended in this budget for several of the Transportation Department non-development related fee programs to keep pace with cost increases and/or maintain full cost-recovery. Revisions are proposed in the following categories: Taxi Stand Rental; Miscellaneous Fees and

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OTHER FEE PROGRAMS (CONT'D.)

Transportation Department – (Cont'd.)

Charges; Meter Hood Rental; Side Sewer Installation Reimbursement; Sidewalk Repair – Inspection and Contract Administration, and Valet Parking Zone. More detail on these various proposals can be found in the Transportation Department Impact Analysis Report contained later in this document.

OTHER FEE PROPOSALS

As mentioned earlier, a number of revisions to fees in various City programs are proposed as part of the 2006-2007 budget, but not included in this document because they are brought forward to Council in a separate form or in a parallel process. Included in this category for example are changes to Airport fees, fees for activity at the Convention Center, changes to charges in City Parking Lots, and revisions to City utility fees (Recycle Plus, Sewer Service and Use Charge, Storm Sewer Use Charge, Recycled Water charges, Municipal Water System charges). As described in the Proposed Budget Document, increases are proposed for the major City utility categories. Included are an increase for the Recycle Plus Program (5% for single family, 3% for multi-family), Sewer Service and Use Charge (4.5%), the Storm Sewer Use Charge (4.5%), and basic water usage rate for Municipal Water Program users (4.3%).

SUMMARY

Recommended fees and fee structure revisions are presented in the following summaries and detailed in the departmental sections that form the body of this report. The revenues that would result from the approval of the fees are reflected in the 2006-2007 Proposed Operating Budget. As noted above, also included for the first time this year in each departmental section contained in the body of this document are cross-references to the related Proposed Budget pages for all major proposed fee changes.

Notification to the public and interested parties of the proposed fee program changes has been provided through various means, including meetings with interested stakeholders, direct mailings to known interested parties, and through distribution of this document to the City Clerk's Office and to Library branches. Specific notification efforts are described in each of the Departmental Impact Analysis Reports contained in this document.

Public input on fee proposals will be heard by the City Council during public hearings to be held on Tuesday, May 16, 2006, at 7:00 p.m. and Monday, June 12, 2006, at 7:00 p.m. in the City Council Chambers.

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SUMMARY (CONT'D.)

During the coming fiscal year, the City Manager's Office and the responsible departments will monitor the respective fees. If revenues or activity levels warrant additional changes, appropriate adjustments will be presented for the City Council's consideration.

LARRY D. LISENBEE
Budget Director